

ARTICLE 82-01

GENERAL ADMINISTRATION

Chapter
82-01-01 Organization of the Teachers' Fund for Retirement

CHAPTER 82-01-01 ORGANIZATION OF THE TEACHERS' FUND FOR RETIREMENT

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82-01-01-01. Organization of the teachers' fund for retirement.

1. Organization and administration.

- a. History. The 1913 legislative assembly created the teachers' insurance and retirement fund by legislation codified as North Dakota Century Code chapter 15-39. This chapter provided a retirement program for public, nonpublic, and certain college teachers. In 1971, the legislative assembly repealed North Dakota Century Code chapter 15-39 and enacted North Dakota Century Code chapter 15-39.1 which created the present teachers' fund for retirement. The 1973 legislative assembly provided for teacher retirement options by enacting North Dakota Century Code chapter 15-39.2. The primary objective of the teachers' fund for retirement is to provide income security to retired teachers.
- b. Board of trustees. A seven-member board of trustees, as established by North Dakota Century Code section 15-39.1-05.1, is responsible for managing the fund.
- c. Qualified tax status of fund.
 - (1) Qualified plan. The fund is a qualified employee pension plan under sections 401 and 501 of the Internal Revenue Code of 1986, as amended [U.S.C. title 26].
 - (2) Exclusive benefit and purpose. As a qualified employee pension plan, all assets of the fund are held in trust for the exclusive benefit of members and their beneficiaries. Fund assets may not be diverted or used for any purpose other than to provide pension benefits and other incidental benefits allowed by law.
- d. Investment of the fund. The assets of the fund are invested and managed by the North Dakota state investment board. The state

investment board invests the fund's assets in accordance with the "prudent investor" rule.

- e. Accrued benefits nonforfeitable. Upon plan termination or complete discontinuance of contributions under the fund, the rights of all participants to benefits accrued to the date of such termination or discontinuance will become nonforfeitable to the extent funded.

2. Description of portion of organization and functions subject to North Dakota Century Code chapter 28-32.

- a. Overview. The teachers' fund for retirement is an "administrative agency" within the definition of that term under subsection 1 of North Dakota Century Code section 28-32-01.
- b. Rulemaking. North Dakota Century Code section 15-39.1-07 authorizes the board of trustees to adopt rules as may be necessary to fulfill the responsibilities of the board. The board follows the procedures established in North Dakota Century Code chapter 28-32 in adopting rules. The rules adopted by the board implement various statutory provisions set forth in North Dakota Century Code chapter 15-39.1.
- c. Administration. Administration rules for the state retirement and investment office as they pertain to the teachers' fund for retirement are contained in North Dakota Administrative Code title 103.

3. Inquiries. General inquiries and questions relating to policies of the board may be addressed to the executive director:

Executive Director
1930 Burnt Boat Drive
P.O. Box 7100
Bismarck, ND 58502-7100

History: Amended effective August 1, 1983; November 1, 1985; September 1, 1990; November 1, 1994; January 1, 1998; May 1, 1998; May 1, 2000.

General Authority: NDCC 15-39.1-07

Law Implemented: NDCC 28-32-02.1